FEDERAL UPDATE

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Fred Copeman
Sr. VP of Equity Production
Boston Financial Investment Management, LP

Novogradac & Company LLP

MICHAEL NOVOGRADAC

Tax Act Overall

PABs
retained

NMTCs
retained

RETCs
retained

HTCs
modified

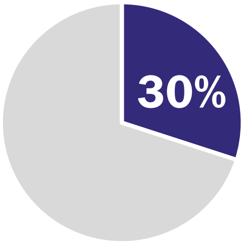
Low-Income Housing Tax Credit

Lower **Corporate Rate**

Interest Expense **Deductibility Limit**

100 Percent Expensing

Interest Expense Limit



of partnership income

EXCLUDE

depreciation until 2022

Real Estate

Trade or **Business Election**

30 year for post 2017 PIS

40 year (?) for pre 2018 PIS

FUND LEVEL

RE TorB?

Or not?

Post-2017 PIS Properties, Pre-2018 PIS Properties

PRE-2018 PIS

- Need to analyze properties
- 9% generally defer election to 2022
  - Tax-exempt bonds – recent transactions elect
  - Older transactions defer to 2022

POST-2017 PIS

- Generally elect RE TorB
- 30 year life on building

2015 2016 2017 2018 2019 2020

100 Percent Expensing

for personal property and land improvements

SEPT. 27, 2017
Property PIS after this date is eligible, subject to binding contract rule.

DEC. 31, 2022
100 percent begins phase-down

2017 2018 2019 2020 2021 2022

Used property eligible

Cost segregation studies

Opportunity Zones

Invest within 180 days of realizing a gain

Defer gain to Dec. 31, 2026

- Recognize 85% on Dec. 31, 2026
- Generally no additional gain recognition

Exclude 10% if held for 5 years

Exclude 15% if held for 7 years

Base Erosion and Anti-Abuse Tax (BEAT)

- Investors paying BEAT:
  - Can lose up to **20%** of LIHTC, ITC and PTC for **2018-2025**;
    - Can lose up to **100% thereafter**
  - Can lose up to **100%** of NMTC and HTC in **2018 and beyond**
  - If credits reduce normal tax below BEAT in any given year, those credits are lost FOREVER
  - Investors can also lose about **50% of the benefits of tax losses**

What's Next After Tax Reform?

Restore **affordable housing production** in light of **lower corporate tax rate**

Expand and strengthen Housing Credit by advancing **Affordable Housing Credit Improvement Act**

Continued education around the connection between **Housing Bonds** and the **Housing Credit**

Address **Base Erosion and Anti-abuse Tax issues** and other **technical corrections**

2018 Legislative Agenda

MUST PASS

- Government funding beyond Feb. 8
- Debt ceiling

POSSIBLE

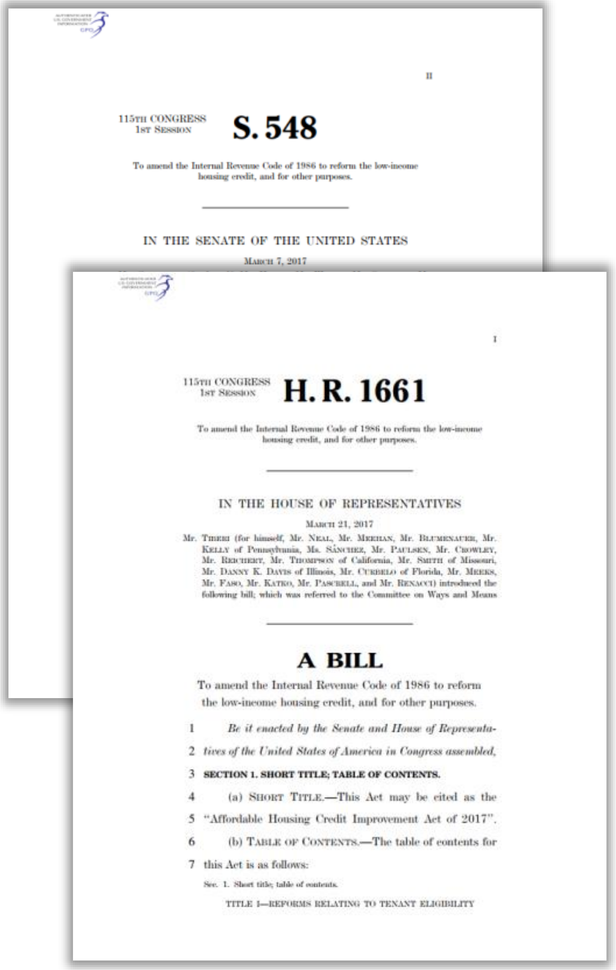
- Budget deal to lift spending caps
- Tax extenders
- Disaster relief
- Immigration
- Infrastructure
- Tax reform technical corrections
- Housing finance reform

Potential vehicles for Housing Credit legislation:

Anything with a tax component

More LIHTCs via

Affordable Housing Credit Improvement Act



115TH CONGRESS
1ST SESSION

S. 548

To amend the Internal Revenue Code of 1986 to reform the low-income housing credit, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 7, 2017

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TITLE I—REFORMS RELATING TO TENANT ELIGIBILITY

CANTWELL

HATCH

CURBELO

NEAL

23 cosponsors

10R 13D*

**with more than 10 in the queue to sign on*

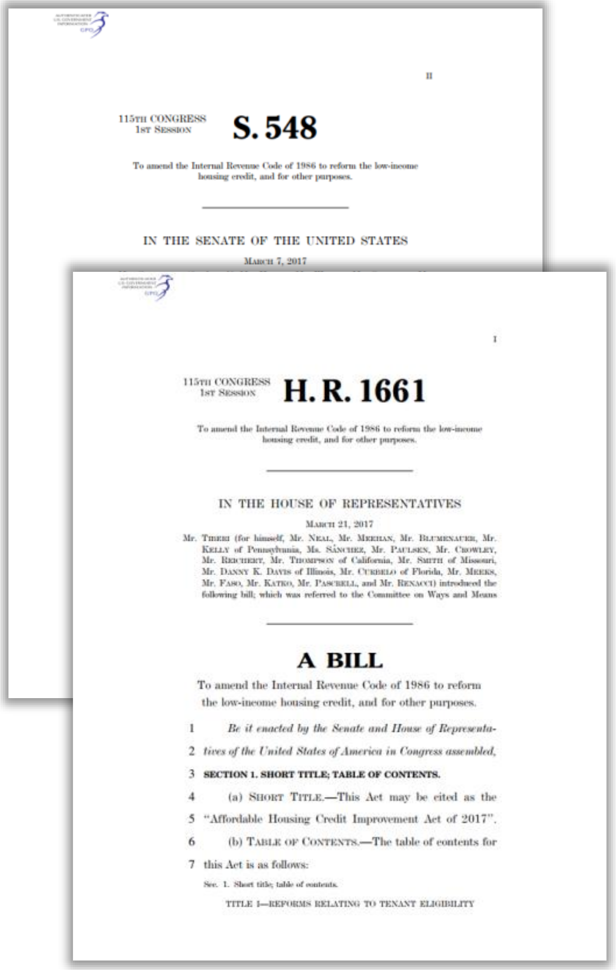
124 cosponsors

62R 62D

More than ¼ of House

More LIHTCs via

Affordable Housing Credit Improvement Act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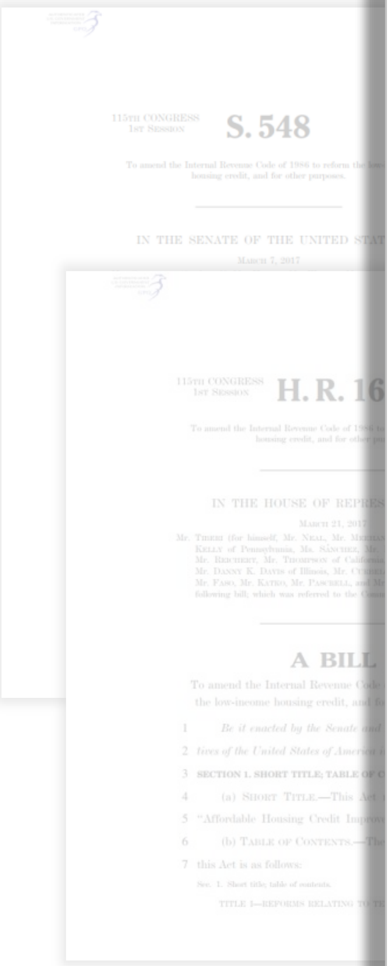
50 percent increase

Income-averaging

Minimum 4 percent rate

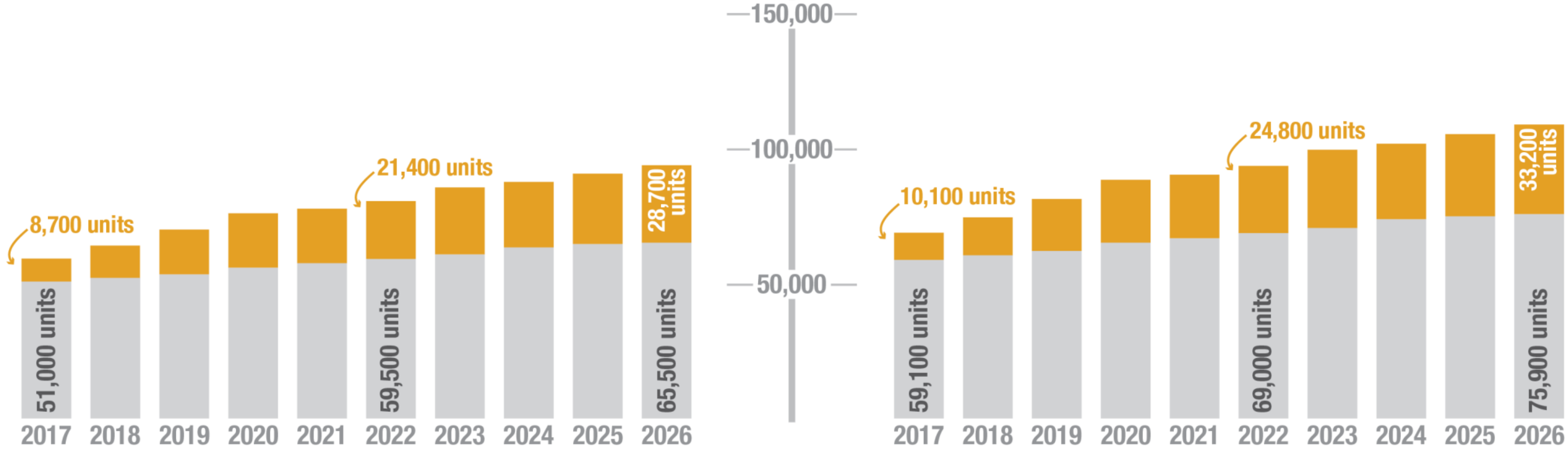


Projected Increase in Affordable Rental Homes Due To 50% LIHTC Allocation Increase

Status Quo Projected Units | Additional Units from the Affordable Housing Credit Improvement Act

If annual LIHTC allocation per unit is roughly $15,300, Sen. Cantwell's 50 percent increase will fund approximately 200,000 additional affordable rental homes.

If annual LIHTC allocation per unit is roughly $13,200, Sen. Cantwell's 50 percent increase will fund approximately 225,000 additional affordable rental homes.

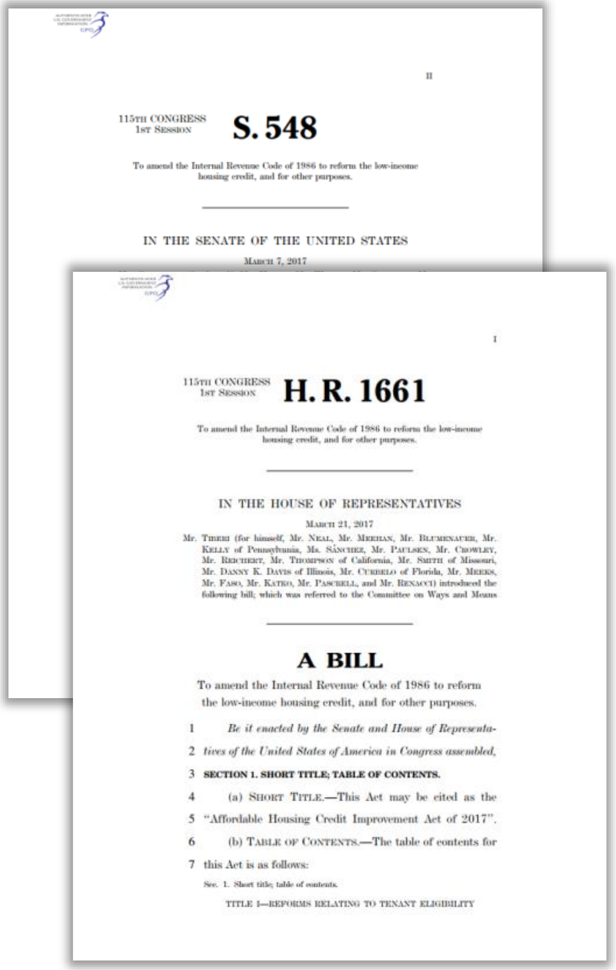


Source: Novogradac & Company LLP

NOVOGRADAC & COMPANY LLP

More LIHTCs via

Affordable Housing Credit Improvement Act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50 percent increase

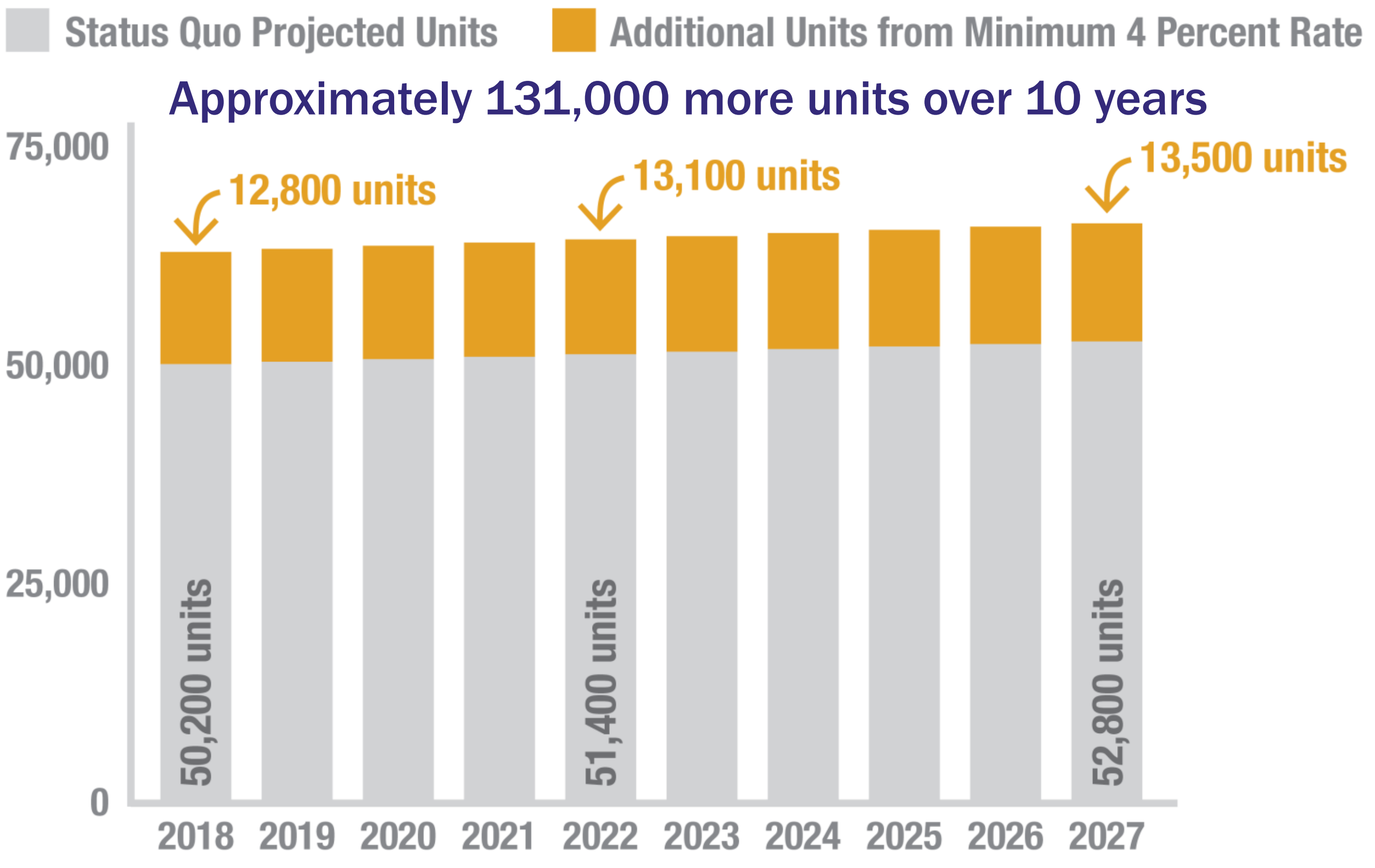
Income-averaging

Minimum 4 percent rate

Note these assumptions:

- Assumed that states will increase their tax-exempt bond issuance for multifamily by 25%
- Assumed the absolute amount of soft subsidies going to tax exempt bond properties would remain unchanged
- To the extent that there is less deferred developer fee, that is offset with more taxable bond financing

Projected Increase in Affordable Rental Homes Due To Minimum 4 Percent Rate



Source: Novogradac & Company LLP

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More LIHTCs via

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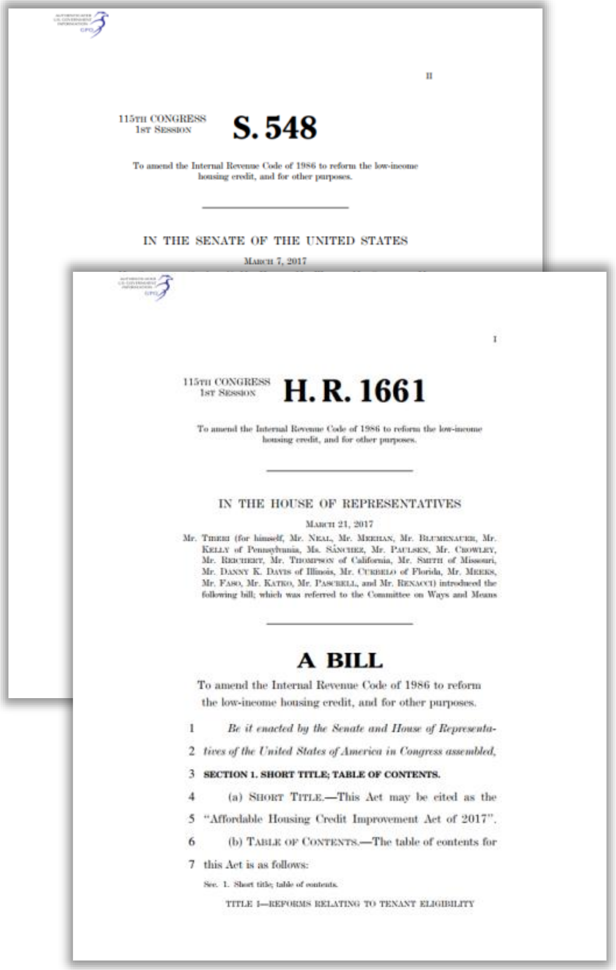

II

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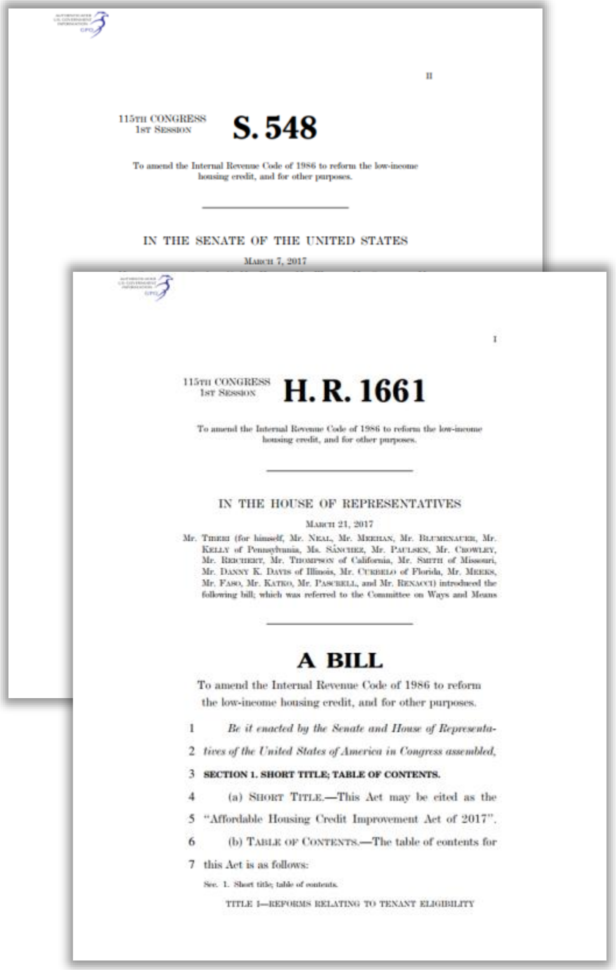
Additional Resources

- Give states discretion to provide 30% basis boost for bond-financed projects
- Increase DDA designation from 20 to 30%
- Repeal QCT population cap
- Relocation costs included in eligible basis
- No basis reduction for certain energy tax incentives
- Indian areas generally treated as DDAs

More LIHTCs via

Affordable Housing Credit Improvement Act



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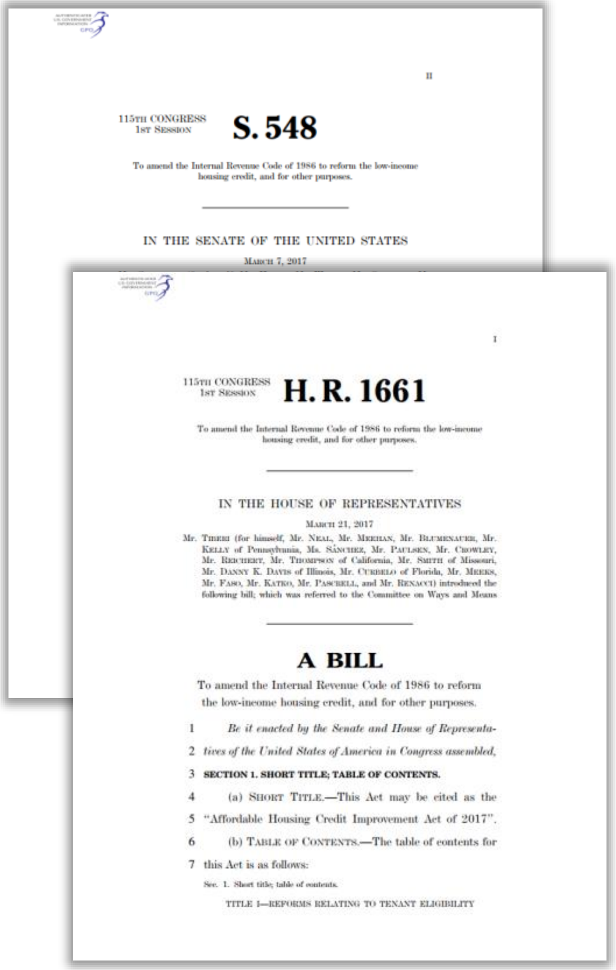
Financial Feasibility

- 50% basis boost for ELI units
- Modify student occupancy rules
- Codify increased tenant income guidance
- Modify 10-year rule (limits apply to acquisition basis)
- Adopt uniform income eligibility for rural projects

More LIHTCs via
Affordable Housing Credit Improvement Act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Other

- Modify voucher rent-setting rule in LIHTC
- **Clarify the community revitalization plan**
- **Prohibit local approval or contribution requirements**
- **Add selection criteria for Native American areas**
- Restriction of planned foreclosures
- **Clarify casualty loss rule**
- **Convert ROFR to purchase option**
- **Change the official name of the LIHTC to Affordable Housing Tax Credit**

Tax Reform Changes for Individuals

20%

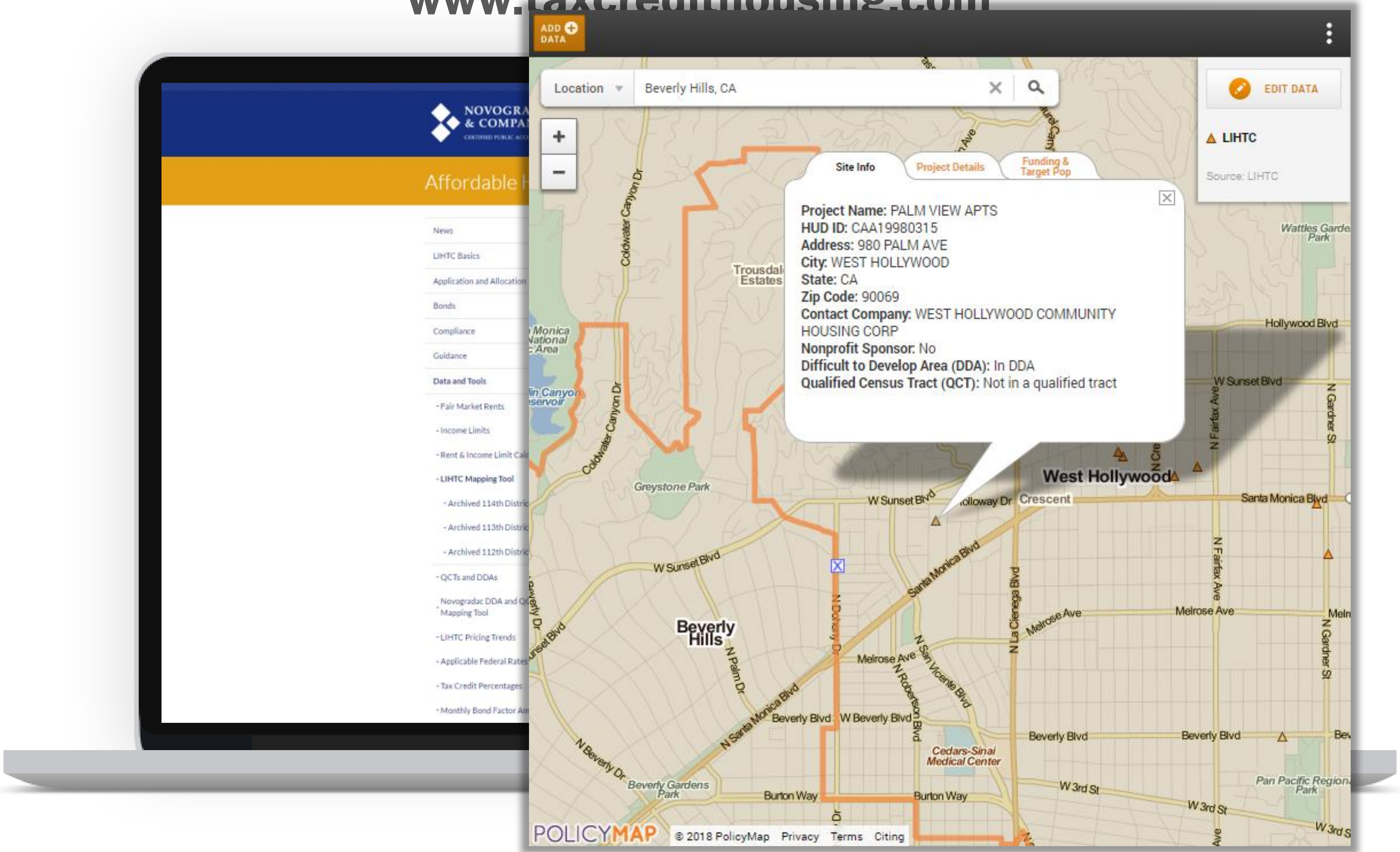
business income deduction

$500,000

limitation on trade or business losses

Resources

www.taxcredithousing.com



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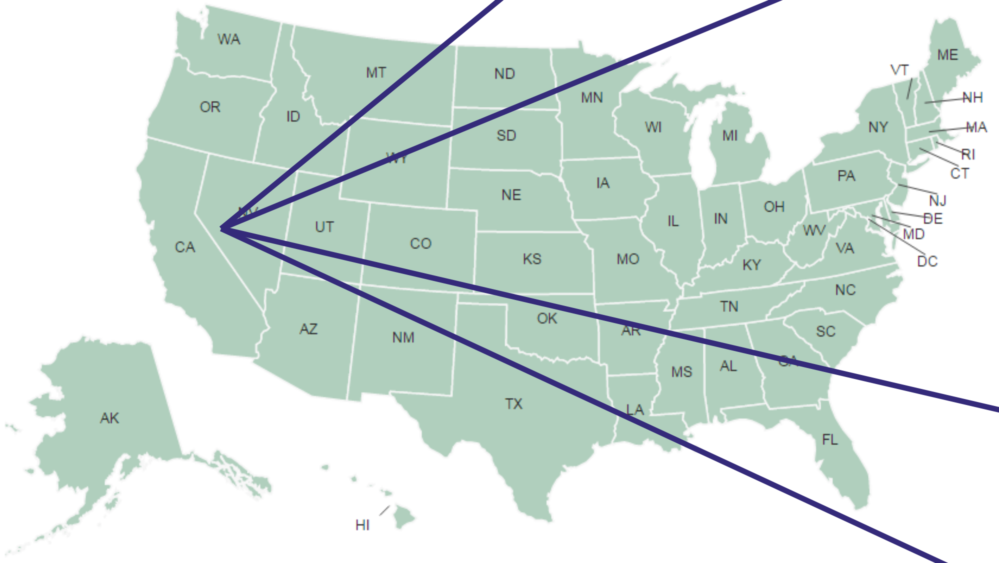
AFFORDABLE RENTAL HOUSING A.C.T.I.O.N. A Call To Invest in Our Neighborhoods

HOME / ABOUT US / ADVOCACY RESOURCES / BLOG / JOIN

State And District Fact Sheets

The ACTION state and district show the impact of the Housing Credit in every congressional district, including the number of affordable apartments created or preserved, the jobs that Housing Credit development supports and other benefits to local economies. For the first time, the fact sheets also provide information on the affordable housing crisis in each state, underscoring the vast need for the Housing Credit. See our **National Fact Sheet** showing the impact of the Housing Credit throughout the U.S.

Click on Your State Below:



Recent News

Senators ... and Can... for Hous... Expansi...

Apr 22, 2016

Over 1,300 Orga... Call on Congress... the Housing Cre... Cantwell Kicks O... Credit Tour

Mar 24, 2016

Sign on to Supp... Expansion of the... Credit

Feb 29, 2016

Administration S... Continued Supp... Housing Credit i... Budget

Feb 9, 2016

THE LOW-INCOME HOUSING TAX CREDIT'S IMPACT IN CALIFORNIA

THE LOW-INCOME HOUSING TAX CREDIT'S

BENEFITS FOR CALIFORNIA'S FAMILIES & THE ECONOMY

1986 - 2015

335,090 homes developed or preserved

780,760 low-income households provided affordable homes

378,652 jobs supported for one year

$36.1 billion local income generated

$14.21 billion tax revenue generated

Sources: National Council of State Housing Agencies 2015 Factbook, National Association of Home Builders

The Housing Credit is a proven solution to help address the affordable housing crisis.

The Housing Credit is our nation's most successful tool for encouraging private investment in affordable rental housing. It has financed over 3 million apartments nationwide since 1986, providing roughly 7 million low-income families, seniors, veterans, and people with disabilities homes they can afford.

Without the Housing Credit, it would be financially infeasible for the private sector to build affordable homes for the families that need them most.

The ACTION Campaign calls on Congress to:

- **Protect** the Housing Credit in tax reform.
- **Preserve** multifamily Housing Bonds, which provide critical financing to roughly 40 percent of Housing Credit developments.
- **Expand** the Housing Credit to make a meaningful dent in our nation's severe shortage of affordable housing.
- **Strengthen** the Housing Credit by making it more streamlined and flexible.

THE NEED FOR AFFORDABLE HOUSING

Though the Housing Credit has had a tremendous impact in California, much more affordable housing is still needed to meet the growing demand.

In California,

1.72 million households

pay more than half of their monthly income on rent, leaving too little for other expenses like health care, transportation and nutritious food.

And in California, a minimum wage worker has to work

118 hours per week

in order to afford a modest one-bedroom apartment.

Sources: 2015 American Community Survey, National Low Income Housing Coalition's Out of Reach 2015

The ACTION Campaign represents over 2,000 organizations and businesses working to address our nation's severe shortage of affordable rental housing by supporting the Low-Income Housing Tax Credit.

www.rentalhousingaction.org

AFFORDABLE RENTAL HOUSING A.C.T.I.O.N. A Call To Invest in Our Neighborhoods

PNC Real Estate

TODD CROW

Factors Impacting Current Investor Market

- **Tax Reform**
- BEAT
- Rising Interest Rates
- Rapid GDP Growth
- Stock Market Correction
- Potential CRA Reform
- GSE Return to Investor Market
- Potential Changes in Supply of LIHTC

Headwinds/Tailwinds

- **Headwinds**
  1. Rising Interest Rates
  2. Stock Market Correction
  3. BEAT
  4. Potential CRA Reform

- **Tailwinds**
  1. GSE Return to market

- **Mixed/Undecided**
  1. Tax Reform
  2. GDP Growth
  3. Changes in Supply??

Boston Financial Investment Management, LP

FRED COPEMAN

Alpha Arms
9% Transaction
130% area

Original IRR 5.60%
Updated IRR 3.50%
PPC reduction to maintain IRR: 9.97 cents

ORIGINAL (2017 Underwriting)

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 35%	Total Benefits
2017	2,367,504	271,040	55,968	(34,267)	(51,807)	(201,179)	(153,836)	(6,835)		(391,957)	137,185	(1,959,279)
2018	3,363,756	560,733	148,814	(111,754)	(207,610)	(121,560)	(45,119)	(19,812)		(357,041)	124,964	(2,678,059)
2019		560,733	149,696	(79,946)	(208,641)	(62,256)	(17,592)	(27,806)		(246,544)	86,290	647,023
2020		560,733	150,541	(79,213)	(208,641)	(57,154)	(15,833)	(29,577)		(239,875)	83,956	644,689
2021		560,733	149,728	(78,451)	(208,641)	(59,041)	(14,249)	(29,577)		(240,232)	84,081	644,814
2022		560,733	150,473	(77,660)	(208,641)	(56,002)	(12,824)	(29,577)		(234,231)	81,981	642,714
2023		560,733	150,241	(76,838)	(208,641)	(32,721)	(11,617)	(29,577)		(209,152)	73,203	633,936
2024		560,733	150,883	(75,983)	(208,641)	(34,349)	(11,480)	(29,577)		(209,146)	73,201	633,934
2025		560,733	150,495	(75,095)	(208,641)	(31,469)	(11,480)	(29,577)		(205,766)	72,018	632,751
2026		560,733	151,026	(74,172)	(208,641)	(30,886)	(11,480)	(29,577)		(203,730)	71,305	632,038
2027		289,693	150,453	(73,213)	(208,641)	(30,675)	(11,480)	(25,789)		(199,344)	69,771	359,464
2028			150,858	(72,216)	(208,641)	(32,600)	(11,480)	(23,086)		(197,165)	69,008	69,008
2029			150,102	(71,180)	(208,641)	(32,269)	(11,480)	(23,086)		(196,553)	68,794	68,794
2030			150,365	(70,102)	(208,641)	(34,637)	(11,480)	(22,895)		(197,390)	69,087	69,087
2031			149,381	(68,983)	(208,641)	(34,445)	(11,480)	(21,494)		(195,660)	68,481	68,481
2032			149,489	(67,819)	(208,641)	(36,542)	(10,729)	(16,922)		(191,163)	66,907	66,907
2033									(2,046,114)	(2,046,114)	716,140	716,140
	5,731,260	5,607,328	2,308,514	(1,186,890)	(3,180,386)	(887,785)	(373,639)	(394,764)	(2,046,114)	(5,761,064)	2,016,372	

*30-year depreciation for real property
*50% bonus depreciation for LI, PP

IRR: 5.60%

Alpha Arms
9% Transaction
130% area

Original IRR 5.60%
Updated IRR 3.50%
PPC reduction to maintain IRR: 9.97 cents

2018 VERSION

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 21%	Total Benefits
2018	2,367,504	271,040	55,968	(34,267)	(47,490)	(389,379)	(305,130)	(6,835)		(727,134)	152,698	(1,943,766)
2019	3,363,756	560,733	148,814	(111,754)	(190,309)	(89,001)	(69,744)	(19,812)		(331,805)	69,679	(2,733,344)
2020		560,733	149,696	(79,946)	(191,254)	0		(27,806)		(149,309)	31,355	592,088
2021		560,733	150,541	(79,213)	(191,254)	(19,800)		(29,577)		(169,302)	35,554	596,286
2022		560,733	149,728	(78,451)	(191,254)	(31,680)		(29,577)		(181,234)	38,059	598,792
2023		560,733	150,473	(77,660)	(191,254)	(30,408)		(29,577)		(178,426)	37,469	598,202
2024		560,733	150,241	(76,838)	(191,254)	(29,645)		(29,577)		(177,072)	37,185	597,918
2025		560,733	150,883	(75,983)	(191,254)	(34,349)		(29,577)		(180,279)	37,859	598,592
2026		560,733	150,495	(75,095)	(191,254)	(31,469)		(29,577)		(176,899)	37,149	597,882
2027		560,733	151,026	(74,172)	(191,254)	(30,886)		(29,577)		(174,863)	36,721	597,454
2028		289,693	150,453	(73,213)	(191,254)	(30,675)		(25,789)		(170,478)	35,800	325,493
2029			150,858	(72,216)	(191,254)	(32,600)		(23,086)		(168,298)	35,343	35,343
2030			150,102	(71,180)	(191,254)	(32,269)		(23,086)		(167,687)	35,214	35,214
2031			150,365	(70,102)	(191,254)	(34,637)		(22,895)		(168,524)	35,390	35,390
2032			149,381	(68,983)	(191,254)	(34,445)		(21,494)		(166,794)	35,027	35,027
2033			149,489	(67,819)	(191,254)	(36,542)		(16,922)		(163,047)	34,240	34,240
2034									(2,309,858)	(2,309,858)	485,070	485,070
	5,731,260	5,607,328	2,308,514	(1,186,890)	(2,915,354)	(887,785)	(374,874)	(394,764)	(2,309,858)	(5,761,011)	1,209,812	

*30-year depreciation for real property
*100% bonus depreciation for LI, PP

*Opts out of interest expense limitation
*IRR for 27.5-year depreciation (and interest limitation) is 3.39%

IRR: 3.50%

Alpha Arms
9% Transaction
130% area

Original IRR	5.60%
Updated IRR	3.50%
PPC reduction to maintain IRR:	9.97 cents

2018 VERSION WITH SAME IRR

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 21%	Total Benefits
2018	2,136,672	271,040	55,968	(34,267)	(47,490)	(389,379)	(305,130)	(6,835)		(727,134)	152,698	(1,712,934)
2019	3,035,790	560,733	148,814	(111,754)	(190,309)	(89,001)	(69,744)	(19,812)		(331,805)	69,679	(2,405,378)
2020		560,733	149,696	(79,946)	(191,254)	0		(27,806)		(149,309)	31,355	592,088
2021		560,733	150,541	(79,213)	(191,254)	(19,800)		(29,577)		(169,302)	35,554	596,286
2022		560,733	149,728	(78,451)	(191,254)	(31,680)		(29,577)		(181,234)	38,059	598,792
2023		560,733	150,473	(77,660)	(191,254)	(30,408)		(29,577)		(178,426)	37,469	598,202
2024		560,733	150,241	(76,838)	(191,254)	(29,645)		(29,577)		(177,072)	37,185	597,918
2025		560,733	150,883	(75,983)	(191,254)	(34,349)		(29,577)		(180,279)	37,859	598,592
2026		560,733	150,495	(75,095)	(191,254)	(31,469)		(29,577)		(176,899)	37,149	597,882
2027		560,733	151,026	(74,172)	(191,254)	(30,886)		(29,577)		(174,863)	36,721	597,454
2028		289,693	150,453	(73,213)	(191,254)	(30,675)		(25,789)		(170,478)	35,800	325,493
2029			150,858	(72,216)	(191,254)	(32,600)		(23,086)		(168,298)	35,343	35,343
2030			150,102	(71,180)	(191,254)	(32,269)		(23,086)		(167,687)	35,214	35,214
2031			150,365	(70,102)	(191,254)	(34,637)		(22,895)		(168,524)	35,390	35,390
2032			149,381	(68,983)	(191,254)	(34,445)		(21,494)		(166,794)	35,027	35,027
2033			149,489	(67,819)	(191,254)	(36,542)		(16,922)		(163,047)	34,240	34,240
2034									(1,751,060)	(1,751,060)	367,723	367,723
	5,172,462	5,607,328	2,308,514	(1,186,890)	(2,915,354)	(887,785)	(374,874)	(394,764)	(1,751,060)	(5,202,213)	1,092,465	

*30-year depreciation for real property
*100% bonus depreciation for LI, PP
*Opts out of interest expense limitation

IRR: 5.60%

Beta Brook	Original IRR	5.61%
9% Transaction	Updated IRR	3.31%
Not in 130% area	PPC reduction to maintain IRR:	11.38 cents

ORIGINAL (2017 Underwriting)

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 35%	Total Benefits
2017	1,992,900	0	0	(16,154)	(16,056)	(170,021)	(176,941)	(11,586)		(390,758)	136,765	(1,856,135)
2018	4,268,216	631,946	112,113	(205,564)	(385,339)	(65,779)	(17,547)	(167,408)		(729,522)	255,333	(3,380,937)
2019	201,884	644,871	115,218	(24,547)	(385,339)	(39,467)	(15,793)	(46,769)		(396,696)	138,844	581,830
2020	0	644,871	111,687	(23,984)	(385,339)	(24,080)	(14,213)	(12,416)		(348,346)	121,921	766,791
2021	180,000	644,871	107,943	(23,413)	(385,339)	(18,778)	(12,792)	(12,416)		(344,795)	120,678	585,549
2022		644,871	104,042	(22,339)	(385,339)	(23,566)	(11,513)	(12,416)		(351,130)	122,895	767,766
2023		644,871	99,470	(20,903)	(385,339)	(9,510)	(10,405)	(12,416)		(339,103)	118,686	763,557
2024		644,871	95,163	(19,516)	(385,339)	(11,798)	(10,405)	(12,416)		(344,311)	120,509	765,379
2025		644,871	90,153	(18,185)	(385,339)	(13,056)	(10,405)	(12,416)		(349,247)	122,237	767,107
2026		644,871	85,409	(16,918)	(385,339)	(15,501)	(10,405)	(12,416)		(355,169)	124,309	769,180
2027		644,871	79,915	(15,725)	(385,339)	(15,366)	(10,405)	(11,819)		(358,739)	125,559	770,429
2028		12,926	74,706	(14,616)	(385,339)	(16,600)	(10,405)	(5,239)		(357,493)	125,123	138,048
2029			68,682	(13,602)	(385,339)	(16,614)	(10,405)	(5,239)		(362,518)	126,881	126,881
2030			62,973	(12,694)	(385,339)	(17,606)	(10,405)	(5,239)		(368,310)	128,908	128,908
2031			56,414	(11,903)	(385,339)	(17,395)	(10,405)	(5,239)		(373,867)	130,853	130,853
2032			50,171	(11,244)	(385,339)	(18,544)	(9,971)	(4,903)		(379,830)	132,940	132,940
2033									(537,867)	(537,867)	188,253	188,253
	6,643,000	6,448,706	1,314,059	(471,307)	(5,796,136)	(493,683)	(352,414)	(350,352)	(537,867)	(6,687,700)	2,340,695	

*30-year depreciation for real property
*50% bonus depreciation for LI, PP

IRR: 5.61%

Beta Brook
9% Transaction
Not in 130% area

Original IRR	5.61%
Updated IRR	3.31%
PPC reduction to maintain IRR:	11.38 cents

2018 Version

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 21%	Total Benefits
2018	1,992,900		0	(16,154)	(14,718)	(334,467)	(352,414)	(11,586)		(729,339)	153,161	(1,839,739)
2019	4,268,216	631,946	112,113	(205,564)	(353,227)	0		(167,408)		(614,085)	128,958	(3,507,312)
2020	201,884	644,871	115,218	(24,547)	(353,227)	0		(46,769)		(309,325)	64,958	507,945
2021	0	644,871	111,687	(23,984)	(353,227)	(400)		(12,416)		(278,340)	58,451	703,322
2022	180,000	644,871	107,943	(23,413)	(353,227)	(640)		(12,416)		(281,753)	59,168	524,039
2023		644,871	104,042	(22,339)	(353,227)	(6,184)		(12,416)		(290,123)	60,926	705,796
2024		644,871	99,470	(20,903)	(353,227)	(9,510)		(12,416)		(296,587)	62,283	707,154
2025		644,871	95,163	(19,516)	(353,227)	(11,798)		(12,416)		(301,795)	63,377	708,247
2026		644,871	90,153	(18,185)	(353,227)	(13,056)		(12,416)		(306,731)	64,413	709,284
2027		644,871	85,409	(16,918)	(353,227)	(15,501)		(12,416)		(312,653)	65,657	710,528
2028		644,871	79,915	(15,725)	(353,227)	(15,366)		(11,819)		(316,223)	66,407	711,277
2029		12,926	74,706	(14,616)	(353,227)	(16,600)		(5,239)		(314,977)	66,145	79,071
2030			68,682	(13,602)	(353,227)	(16,614)		(5,239)		(320,001)	67,200	67,200
2031			62,973	(12,694)	(353,227)	(17,606)		(5,239)		(325,793)	68,417	68,417
2032			56,414	(11,903)	(353,227)	(17,395)		(5,239)		(331,350)	69,584	69,584
2033			50,171	(11,244)	(353,227)	(18,544)		(4,903)		(337,747)	70,927	70,927
2034									(1,020,782)	(1,020,782)	214,364	214,364
	6,643,000	6,448,706	1,314,059	(471,307)	(5,313,124)	(493,683)	(352,414)	(350,352)	(1,020,782)	(6,687,604)	1,404,397	

*30-year depreciation for real property
*100% bonus depreciation for LI, PP

*Opts out of interest expense limitation
*IRR for 27.5-year depreciation (and interest limitation) is 3.30%

IRR: 3.31%

Beta Brook
9% Transaction
Not in 130% area

Original IRR 5.61%
Updated IRR 3.31%
PPC reduction to maintain IRR: 11.38 cents

2018 Version with Same IRR

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 21%	Total Benefits
2018	1,772,685		0	(16,154)	(14,718)	(334,467)	(352,414)	(11,586)		(729,339)	153,161	(1,619,523)
2019	3,796,578	631,946	112,113	(205,564)	(353,227)	0		(167,408)		(614,085)	128,958	(3,035,675)
2020	179,576	644,871	115,218	(24,547)	(353,227)	0		(46,769)		(309,325)	64,958	530,253
2021	0	644,871	111,687	(23,984)	(353,227)	(400)		(12,416)		(278,340)	58,451	703,322
2022	160,110	644,871	107,943	(23,413)	(353,227)	(640)		(12,416)		(281,753)	59,168	543,929
2023		644,871	104,042	(22,339)	(353,227)	(6,184)		(12,416)		(290,123)	60,926	705,796
2024		644,871	99,470	(20,903)	(353,227)	(9,510)		(12,416)		(296,587)	62,283	707,154
2025		644,871	95,163	(19,516)	(353,227)	(11,798)		(12,416)		(301,795)	63,377	708,247
2026		644,871	90,153	(18,185)	(353,227)	(13,056)		(12,416)		(306,731)	64,413	709,284
2027		644,871	85,409	(16,918)	(353,227)	(15,501)		(12,416)		(312,653)	65,657	710,528
2028		644,871	79,915	(15,725)	(353,227)	(15,366)		(11,819)		(316,223)	66,407	711,277
2029		12,926	74,706	(14,616)	(353,227)	(16,600)		(5,239)		(314,977)	66,145	79,071
2030			68,682	(13,602)	(353,227)	(16,614)		(5,239)		(320,001)	67,200	67,200
2031			62,973	(12,694)	(353,227)	(17,606)		(5,239)		(325,793)	68,417	68,417
2032			56,414	(11,903)	(353,227)	(17,395)		(5,239)		(331,350)	69,584	69,584
2033			50,171	(11,244)	(353,227)	(18,544)		(4,903)		(337,747)	70,927	70,927
2034									(286,731)	(286,731)	60,213	60,213
	5,908,949	6,448,706	1,314,059	(471,307)	(5,313,124)	(493,683)	(352,414)	(350,352)	(286,731)	(5,953,552)	1,250,246	

*30-year depreciation for real property
*100% bonus depreciation for LI, PP
*Opts out of interest expense limitation

IRR: 5.61%

Gamma Gardens
4% Transaction
130% area

Original IRR 8.15%
Updated IRR 5.29%
PPC reduction to maintain IRR: 10.53 cents

ORIGINAL (2017 Underwriting)

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 35%	Total Benefits
2017	3,389,171	389,772	207,468	(211,497)	(240,222)	(167,837)	(119,406)	(116,318)		(647,811)	226,734	(2,772,666)
2018	1,129,723	470,668	550,738	(321,601)	(428,770)	(46,049)	(11,318)	(127,266)		(384,266)	134,493	(524,562)
2019	0	470,668	557,701	(339,768)	(428,770)	(28,213)	(10,239)	(87,847)		(337,136)	117,998	588,666
2020	0	470,668	564,745	(336,035)	(428,770)	(41,506)	(9,269)	(92,615)		(343,449)	120,207	590,875
2021	0	470,668	569,771	(332,166)	(428,770)	(56,026)	(8,395)	(97,351)		(352,937)	123,528	594,196
2022		470,668	576,808	(328,158)	(428,770)	(46,387)	(7,609)	(102,033)		(336,148)	117,652	588,320
2023		470,668	582,707	(324,003)	(428,770)	(37,463)	(7,237)	(106,673)		(321,440)	112,504	583,172
2024		470,668	589,738	(319,699)	(428,770)	(43,612)	(7,237)	(111,251)		(320,830)	112,291	582,958
2025		470,668	595,523	(315,238)	(428,770)	(40,557)	(7,237)	(115,774)		(312,052)	109,218	579,886
2026		470,668	602,531	(310,615)	(428,770)	(39,109)	(7,237)	(119,841)		(303,040)	106,064	576,732
2027		80,896	608,233	(305,824)	(428,770)	(38,099)	(7,237)	(120,021)		(291,719)	102,102	182,998
2028			615,196	(300,860)	(428,770)	(40,846)	(7,237)	(124,319)		(286,835)	100,392	100,392
2029			620,761	(295,715)	(428,770)	(40,397)	(7,237)	(128,539)		(279,897)	97,964	97,964
2030			627,658	(290,384)	(428,770)	(42,860)	(7,237)	(132,658)		(274,250)	95,988	95,988
2031			633,065	(284,858)	(428,770)	(42,600)	(7,237)	(136,459)		(266,860)	93,401	93,401
2032									447,564	447,564	(156,647)	(156,647)
2033										0	0	0
	4,518,894	4,706,679	8,502,642	(4,616,422)	(6,242,997)	(751,561)	(231,369)	(1,718,964)	447,564	(4,611,107)	1,613,887	

*30-year depreciation for real property
*50% bonus depreciation for LI, PP

IRR: 8.15%

Gamma Gardens
4% Transaction
130% area

Original IRR 8.15%
Updated IRR 5.29%
PPC reduction to maintain IRR: 10.53 cents

2018 Version

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 21%	Total Benefits
2018	3,389,171	389,772	207,468	(211,497)	(223,344)	(279,312)	(227,233)	(116,318)		(850,236)	178,550	(2,820,850)
2019	1,129,723	470,668	550,738	(321,601)	(398,645)	(1,459)	(535)	(127,266)		(298,768)	62,741	(596,314)
2020		470,668	557,701	(339,768)	(398,645)	(1,459)	(535)	(87,847)		(270,553)	56,816	527,484
2021		470,668	564,745	(336,035)	(398,645)	(25,453)	(535)	(92,615)		(288,538)	60,593	531,261
2022		470,668	569,771	(332,166)	(398,645)	(39,974)	(535)	(97,351)		(298,899)	62,769	533,437
2023		470,668	576,808	(328,158)	(398,645)	(38,361)	(535)	(102,033)		(290,922)	61,094	531,762
2024		470,668	582,707	(324,003)	(398,645)	(37,463)	(535)	(106,673)		(284,613)	59,769	530,437
2025		470,668	589,738	(319,699)	(398,645)	(43,612)	(535)	(111,251)		(284,003)	59,641	530,309
2026		470,668	595,523	(315,238)	(398,645)	(40,557)	(535)	(115,774)		(275,225)	57,797	528,465
2027		470,668	602,531	(310,615)	(398,645)	(39,109)	(535)	(119,841)		(266,213)	55,905	526,573
2028		80,896	608,233	(305,824)	(398,645)	(38,099)	(535)	(120,021)		(254,892)	53,527	134,424
2029			615,196	(300,860)	(398,645)	(40,846)	(535)	(124,319)		(250,008)	52,502	52,502
2030			620,761	(295,715)	(398,645)	(40,397)	(535)	(128,539)		(243,070)	51,045	51,045
2031			627,658	(290,384)	(398,645)	(42,860)	(535)	(132,658)		(237,423)	49,859	49,859
2032			633,065	(284,858)	(398,645)	(42,600)	(535)	(136,459)		(230,033)	48,307	48,307
2033									12,376	12,376	(2,599)	(2,599)
2034										0	0	0
	4,518,894	4,706,679	8,502,642	(4,616,422)	(5,804,371)	(751,561)	(234,720)	(1,718,964)	12,376	(4,611,020)	968,314	

*30-year depreciation for real property
*100% bonus depreciation for LI, PP (except 5% tax-exempt use)

*Opts out of interest expense limitation

IRR: 5.29%

Gamma Gardens
4% Transaction
130% area

Original IRR 8.15%
Updated IRR 5.29%
PPC reduction to maintain IRR: 10.53 cents

2018 Version with Same IRR

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 21%	Total Benefits
2018	3,017,379	389,772	207,468	(211,497)	(223,344)	(279,312)	(227,233)	(116,318)		(850,236)	178,550	(2,449,058)
2019	1,005,792	470,668	550,738	(321,601)	(398,645)	(1,459)	(535)	(127,266)		(298,768)	62,741	(472,384)
2020		470,668	557,701	(339,768)	(398,645)	(1,459)	(535)	(87,847)		(270,553)	56,816	527,484
2021		470,668	564,745	(336,035)	(398,645)	(25,453)	(535)	(92,615)		(288,538)	60,593	531,261
2022		470,668	569,771	(332,166)	(398,645)	(39,974)	(535)	(97,351)		(298,899)	62,769	533,437
2023		470,668	576,808	(328,158)	(398,645)	(38,361)	(535)	(102,033)		(290,922)	61,094	531,762
2024		470,668	582,707	(324,003)	(398,645)	(37,463)	(535)	(106,673)		(284,613)	59,769	530,437
2025		470,668	589,738	(319,699)	(398,645)	(43,612)	(535)	(111,251)		(284,003)	59,641	530,309
2026		470,668	595,523	(315,238)	(398,645)	(40,557)	(535)	(115,774)		(275,225)	57,797	528,465
2027		470,668	602,531	(310,615)	(398,645)	(39,109)	(535)	(119,841)		(266,213)	55,905	526,573
2028		80,896	608,233	(305,824)	(398,645)	(38,099)	(535)	(120,021)		(254,892)	53,527	134,424
2029			615,196	(300,860)	(398,645)	(40,846)	(535)	(124,319)		(250,008)	52,502	52,502
2030			620,761	(295,715)	(398,645)	(40,397)	(535)	(128,539)		(243,070)	51,045	51,045
2031			627,658	(290,384)	(398,645)	(42,860)	(535)	(132,658)		(237,423)	49,859	49,859
2032			633,065	(284,858)	(398,645)	(42,600)	(535)	(136,459)		(230,033)	48,307	48,307
2033									508,099	508,099	(106,701)	(106,701)
2034										0	0	0
	4,023,171	4,706,679	8,502,642	(4,616,422)	(5,804,371)	(751,561)	(234,720)	(1,718,964)	508,099	(4,115,297)	864,212	

*30-year depreciation for real property
*100% bonus depreciation for LI, PP (except 5% tax-exempt use)

*Opts out of interest expense limitation

IRR: 8.15%

Delta Drive
4% Transaction
Not in 130% area

Original IRR 5.44%
Updated IRR 2.54%
PPC reduction to maintain IRR: 14.36 cents

ORIGINAL (2017 Underwriting)

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 35%	Total Benefits
2017	4,525,000	0	2,054,534	0	(858,119)	0	0	(603,877)		592,538	(207,388)	(4,732,388)
2018	8,385,000	1,276,128	2,327,952	(2,910,432)	(1,344,151)	(179,399)	(4,590)	(39,102)		(2,149,722)	752,403	(6,356,470)
2019	0	1,342,941	2,612,183	(1,800,796)	(1,874,460)	(287,039)	(8,720)	(98,460)		(1,457,292)	510,052	1,852,993
2020	0	1,342,942	2,645,175	(1,783,207)	(1,874,460)	(205,023)	(7,848)	(42,210)		(1,267,574)	443,651	1,786,593
2021	0	1,342,942	2,675,730	(1,764,876)	(1,874,460)	(155,814)	(7,064)	(42,210)		(1,168,693)	409,043	1,751,984
2022	0	1,342,942	2,709,002	(1,745,771)	(1,874,460)	(175,422)	(6,357)	(42,210)		(1,135,219)	397,326	1,740,268
2023	1,864,000	1,342,942	2,738,997	(1,725,861)	(1,874,460)	(135,520)	(5,721)	(42,210)		(1,044,776)	365,671	(155,387)
2024		1,342,942	2,772,301	(1,705,110)	(1,874,460)	(100,869)	(5,420)	(42,210)		(955,769)	334,519	1,677,461
2025		1,342,942	2,802,095	(1,683,484)	(1,874,460)	(101,632)	(5,420)	(42,210)		(905,112)	316,789	1,659,731
2026		1,342,942	2,835,354	(1,660,945)	(1,874,460)	(110,266)	(5,420)	(42,205)		(857,942)	300,280	1,643,222
2027		1,342,942	2,864,850	(1,637,455)	(1,874,460)	(109,421)	(5,420)	(486,335)		(1,248,242)	436,885	1,779,826
2028		66,813	2,897,978	(1,612,975)	(1,874,460)	(116,744)	(5,420)	(495,447)		(1,207,068)	422,474	489,287
2029		0	2,927,085	(1,587,461)	(1,874,460)	(115,770)	(5,420)	(504,740)		(1,160,766)	406,268	406,268
2030			2,959,984	(1,560,870)	(1,874,460)	(123,738)	(5,420)	(514,219)		(1,118,723)	391,553	391,553
2031			2,988,567	(1,533,158)	(1,874,460)	(122,816)	(5,420)	(523,888)		(1,071,175)	374,911	374,911
2032			3,021,136	(1,504,276)	(1,874,460)	(131,115)	(5,420)	(532,122)		(1,026,257)	359,190	359,190
2033									2,125,572	2,125,572	(743,950)	(743,950)
	14,774,000	13,429,416	43,832,923	(26,216,677)	(28,444,710)	(2,170,587)	(89,084)	(4,093,655)	2,125,572	(15,056,219)	5,269,677	

*30-year depreciation for real property
*50% bonus depreciation for LI, PP

IRR: 5.44%

Delta Drive
4% Transaction
Not in 130% area

Original IRR 5.44%
Updated IRR 2.54%
PPC reduction to maintain IRR: 14.36 cents

2018 Version

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 35%	Total Benefits
2018	4,525,000	0	2,054,534	0	(786,609)			(603,877)		664,048	(139,450)	(4,664,450)
2019	8,385,000	1,276,128	2,327,952	(2,910,432)	(1,232,139)	(896,997)	(91,794)	(39,102)		(2,842,511)	596,927	(6,511,945)
2020	0	1,342,941	2,612,183	(1,800,796)	(1,718,255)			(98,460)		(1,005,327)	211,119	1,554,060
2021	0	1,342,942	2,645,175	(1,783,207)	(1,718,255)	(32,800)		(42,210)		(931,297)	195,572	1,538,514
2022	0	1,342,942	2,675,730	(1,764,876)	(1,718,255)	(52,480)		(42,210)		(902,091)	189,439	1,532,381
2023	0	1,342,942	2,709,002	(1,745,771)	(1,718,255)	(72,088)		(42,210)		(869,322)	182,558	1,525,499
2024	1,864,000	1,342,942	2,738,997	(1,725,861)	(1,718,255)	(83,853)		(42,210)		(831,182)	174,548	(346,510)
2025	0	1,342,942	2,772,301	(1,705,110)	(1,718,255)	(100,869)		(42,210)		(794,143)	166,770	1,509,712
2026	0	1,342,942	2,802,095	(1,683,484)	(1,718,255)	(101,632)		(42,210)		(743,486)	156,132	1,499,074
2027	0	1,342,942	2,835,354	(1,660,945)	(1,718,255)	(110,266)		(42,205)		(696,317)	146,227	1,489,168
2028	0	1,342,942	2,864,850	(1,637,455)	(1,718,255)	(109,421)		(486,335)		(1,086,616)	228,189	1,571,131
2029	0	66,813	2,897,978	(1,612,975)	(1,718,255)	(116,744)		(495,447)		(1,045,442)	219,543	286,356
2030	0	0	2,927,085	(1,587,461)	(1,718,255)	(115,770)		(504,740)		(999,141)	209,820	209,820
2031	0	0	2,959,984	(1,560,870)	(1,718,255)	(123,738)		(514,219)		(957,098)	200,991	200,991
2032			2,988,567	(1,533,158)	(1,718,255)	(122,816)		(523,888)		(909,550)	191,005	191,005
2033			3,021,136	(1,504,276)	(1,718,255)	(131,115)		(532,122)		(864,632)	181,573	181,573
2034						0			(241,636)	(241,636)	50,744	50,744
	14,774,000	13,429,416	43,832,923	(26,216,677)	(26,074,318)	(2,170,587)	(91,794)	(4,093,655)	(241,636)	(15,055,745)	3,161,706	

*30-year depreciation for real property
*100% bonus depreciation for LI, PP

*Opts out of interest expense limitation

IRR: 2.54%

Delta Drive
4% Transaction
Not in 130% area

Original IRR	5.44%
Updated IRR	2.54%
PPC reduction to maintain IRR:	14.36 cents

2018 Version with Same IRR

Year	Capital	Credits: LIHTC	Gross Income	Interest Expense	Deprec: Buildings	Deprec: Pers Prop	Deprec: Land Imps	Other Deducts	(Loss) or Gain from Sale	Net Income	Benefits from Losses at 35%	Total Benefits
2018	3,934,488	0	2,054,534	0	(786,609)	0	0	(603,877)		664,048	(139,450)	(4,073,938)
2019	7,290,758	1,276,128	2,327,952	(2,910,432)	(1,232,139)	(896,997)	(91,794)	(39,102)		(2,842,511)	596,927	(5,417,702)
2020	0	1,342,941	2,612,183	(1,800,796)	(1,718,255)	0		(98,460)		(1,005,327)	211,119	1,554,060
2021	0	1,342,942	2,645,175	(1,783,207)	(1,718,255)	(32,800)		(42,210)		(931,297)	195,572	1,538,514
2022	0	1,342,942	2,675,730	(1,764,876)	(1,718,255)	(52,480)		(42,210)		(902,091)	189,439	1,532,381
2023	0	1,342,942	2,709,002	(1,745,771)	(1,718,255)	(72,088)		(42,210)		(869,322)	182,558	1,525,499
2024	1,620,748	1,342,942	2,738,997	(1,725,861)	(1,718,255)	(83,853)		(42,210)		(831,182)	174,548	(103,258)
2025		1,342,942	2,772,301	(1,705,110)	(1,718,255)	(100,869)		(42,210)		(794,143)	166,770	1,509,712
2026		1,342,942	2,802,095	(1,683,484)	(1,718,255)	(101,632)		(42,210)		(743,486)	156,132	1,499,074
2027		1,342,942	2,835,354	(1,660,945)	(1,718,255)	(110,266)		(42,205)		(696,317)	146,227	1,489,168
2028		1,342,942	2,864,850	(1,637,455)	(1,718,255)	(109,421)		(486,335)		(1,086,616)	228,189	1,571,131
2029		66,813	2,897,978	(1,612,975)	(1,718,255)	(116,744)		(495,447)		(1,045,442)	219,543	286,356
2030			2,927,085	(1,587,461)	(1,718,255)	(115,770)		(504,740)		(999,141)	209,820	209,820
2031			2,959,984	(1,560,870)	(1,718,255)	(123,738)		(514,219)		(957,098)	200,991	200,991
2032			2,988,567	(1,533,158)	(1,718,255)	(122,816)		(523,888)		(909,550)	191,005	191,005
2033			3,021,136	(1,504,276)	(1,718,255)	(131,115)		(532,122)		(864,632)	181,573	181,573
2034									1,686,371	1,686,371	(354,138)	(354,138)
	12,845,993	13,429,416	43,832,923	(26,216,677)	(26,074,318)	(2,170,587)	(91,794)	(4,093,655)	1,686,371	(13,127,738)	2,756,825	

*30-year depreciation for real property
*100% bonus depreciation for LI, PP

*Opts out of interest expense limitation

IRR: 5.44%

FEDERAL UPDATE

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